

# Labor and Employment

See full summary documents for additional detail

## **H279 - COVID-19 Related Tax Changes/Unemployment Insurance Technical Correction. (SL 2021-16)**

S.L. 2021-16 does the following:

- Clarifies that the extra credit grants and federal stimulus payments received as COVID-19 relief are not considered income for determining eligibility for property tax exemptions based on income.
- Provides for the nonaccrual of interest on 2020 individual income tax returns filed on or before May 17, 2021 and extends the statute of limitations for requesting a refund consistent with the extension provided by the Internal Revenue Service (IRS).
- Makes a technical correction to S.L. 2021-5, DES COVID Modifications and Technical Changes.

S.L. 2021-16 became effective April 27, 2021.

## **S105 - 2021 Appropriations Act.**

### **Sec. 9F.19: Exempt Certain Employees of the Division of State Operated Healthcare Facilities from Most Provisions of the NC Human Resources Act. (SL 2021-180)**

Section 9F.19 of S.L. 2021-180 amends the statute (G.S. 126-5(c1)) outlining employees that are exempt from certain provisions of the State Human Resources Act. This section provides that the following employees of the Division of State Operated Healthcare Facilities, Department of Health and Human Services (DHHS), are exempt from the provisions contained in the State Human Resources Act, except Articles 6 and 7, if they are (i) healthcare professionals licensed under Chapter 90 or Chapter 90B, or (ii) engineers responsible for maintenance or building operations at one of the health care facilities operated by the DHHS Secretary.

This act became law November 18, 2021, and this section became effective 30 days after it became law.

## **S105 - 2021 Appropriations Act.**

### **Sec. 39.21: One-Time Bonus Payment Program for Eligible Direct Care Workers . (SL 2021-180)**

Section 39.21 of S.L. 2021-180 provides that, of the funds appropriated from the State Fiscal Recovery Fund to the Department of Health and Human Services (DHHS), \$133 million must be used for a one-time payment to eligible Medicaid and NC Health Choice providers to be passed along as a one-time bonus of up to \$2,000 to eligible direct care workers. The provider types listed below are eligible for the one-time payment:

- Providers of services under the Community Alternatives Program for Children (CAP/C) waiver, the Community Alternatives Program for Disabled Adults (CAP/DA) waiver, the Innovations waiver, or the Traumatic Brain Injury (TBI) waiver.
- Personal care services (PCS) providers.

- Intermediate care facilities for individuals with intellectual disabilities (ICF/IID), including ICF/IID group homes.
- Home health providers.
- Nursing homes.
- Behavioral health residential facilities.

To be eligible for the one-time bonus, an employee must meet all the following criteria:

- The employee is a direct care worker as determined by DHHS. The definition of direct care worker must include workers who interact directly with patients or clients or who provide direct care support services at a licensed health care facility.
- The employee has been employed by the same eligible provider since March 10, 2020, through August 1, 2021.
- The employee has worked at least 1,000 hours providing direct care services between March 10, 2020, and August 1, 2021.
- The employee is not an employee of the State or eligible for any other employment-related bonus under the act.

To participate in the bonus payment program, an eligible provider must submit to DHHS, by January 31, 2022, the number of direct care workers it has employed who are eligible for the bonus and a description of the positions held by those employees. Eligible providers must also attest that the funds received will be provided directly to eligible direct care workers. DHHS must review the information submitted by the providers against available data to determine the correct number of eligible employees. DHHS must notify a provider by March 1, 2022, of any determination that the provider or an employee is not eligible for the bonus payment program.

DHHS must calculate the amount of the bonus payment based on the number of eligible employees designated by eligible providers, up to the amount of \$2,000, and DHHS must issue the payments to eligible providers by March 1, 2022.

This section became effective July 1, 2021.

#### **S114 - DES COVID Modifications and Technical Changes. (SL 2021-5)**

S.L. 2021-5 makes the following changes to the unemployment insurance (UI) system:

- Allows "back-to-back" extended benefit periods for UI claims in 2021.
- Prevents the base UI rate from automatically adjusting higher for UI tax due from employers in 2021.
- Makes technical changes requested by the NC Department of Commerce's Division of Employment Security (DES)

The Act became effective March 30, 2021. However, many sections have different implementation periods as discussed in the Bill Analysis section.

#### **S116 - Putting North Carolina Back to Work Act. (Ratified)**

Senate Bill 116 would:

- Withdraw from the Federal Pandemic Unemployment Compensation program (FPUC) and the Mixed Earners Unemployment Compensation program (MEUC) that provide additional federal benefits to unemployment insurance claimants.
- If FPUC and MEUC programs end before August 14, 2021, appropriate \$250 million to the Department of Health and Human Services, Division of Child Development and Early Education, to subsidize child care for eligible children.
- Require claimants seeking unemployment insurance benefits to respond to employer interview requests:
  - Claimants must respond to interview requests by an employer offering suitable work within 48 hours using the contact information provided by the employer.
  - Claimants must schedule an interview with an employer within seven days of the interview request.

Senate Bill 116 was ratified by the General Assembly on June 24, 2021, and vetoed by the Governor on July 2, 2021.

### **S208 - Labor Law Changes. (SL 2021-82)**

S.L. 2021-82 does the following:

- Eliminates an advisory council created under the Mine Safety and Health Act.
- Clarifies that trains previously or currently in use on the national rail transit system are not subject to regulation as amusement devices by the Department of Labor.
- Authorizes the Director of the Occupational Safety and Health Safety Division of the Department of Labor to obtain medical records in certain circumstances.
- Repeals the Article addressing regulation of job listing services.
- Makes clarifying changes to statutes addressing youth employment certificates and payment to separated employees.
- Requires employers to notify employees, in writing, at least one pay period prior to changes in wages.
- Provides that the maximum penalty for employers who violate record keeping requirements must not exceed \$2,000 per violation.

This act became effective July 8, 2021.

### **S228 - Allow Employers to Offer Exclusive Provider Option Benefit Plans. (SL 2021-151)**

S.L. 2021-151 allows insurers to offer exclusive provider benefit health plans and establishes continuity of care provisions for those plans.

This act became effective October 1, 2021, and applies to contracts entered into, renewed, or amended on or after that date.

### **S311 - No Waiting Period Under LGERS/Volunteer Fire Department Fund Grants. (SL 2021-178)**

S.L. 2021-178 prohibits employers from imposing a waiting period on employees who are eligible for membership in the Local Governmental Employees' Retirement System (LGERS), updates the Volunteer Fire Department Fund (VFDF) grant matching requirements, allows a one-time pension supplement to be paid to LGERS members, and reduces the SUTA contribution rate from 2.4% to 1.9% for calendar year 2022. The waiting period and VFDF portions of the act became effective December 1, 2021. The pension supplement and SUTA portions became effective November 10, 2021.

### **S390 - UNC Law Enforcement Recruitment. (SL 2021-20)**

S.L. 2021-20 allows full-time and part-time law enforcement officers for campuses of constituent institutions of The University of North Carolina to enroll in courses without paying tuition and fees. The Board of Governors of The University of North Carolina is required to determine the number of courses these individuals may enroll in without paying tuition and fees.

This act became effective May 7, 2021, and applied beginning with the 2021-2022 academic year.